



**EXECUTIVE CHAMBERS**

HONOLULU

LINDA LINGLE  
GOVERNOR

April 25, 2008

The Honorable Calvin K. Y. Say, Speaker  
and Members of the House of Representatives  
Twenty-Fourth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear Mr. Speaker and Members of the House:

Re: House Bill No. 2908 SD1

On April 24, 2008, House Bill No. 2908, entitled "A Bill for an Act Relating to Audit Recommendations" became law without my signature, pursuant to Section 16 of Article III of the Constitution of the State of Hawaii.

The bill would require the Legislative Auditor to submit an annual report on audit recommendations more than a year old that have not yet been implemented. It further requires the audited agency to submit within thirty days to the Auditor, Senate President, and House Speaker a report explaining why the audit recommendations were not implemented and an estimated date when they will be implemented. Finally, the bill requires the Executive Branch agencies to provide periodic progress reports at intervals specified by the Auditor.

This Administration respects the audit process and recognizes that the Legislative Auditor already prepares an annual listing of recommendations from the previous year and executive agency updates on these recommendations. This provides an opportunity to revisit audit findings that are still timely and may warrant further review. Further, we believe the Legislative Auditor already has the ability to follow-up on audit items that are more than one year old to determine to what extent they are still applicable and are being addressed by the audited agency.

This measure is troubling because it would require the compilation of audit findings without regard to how long ago these were issued and their relevancy today. This would place Executive Branch agencies in the position of refuting or explaining that these findings do not have a bearing on how they perform the public services entrusted to departments and agencies.

HB 2908 is also problematic because it implies that all recommendations contained in an audit are valid, have credence, and should be implemented. This simply is not true. Often,

departments have explained that certain audit findings were based on partial information, are not relevant to how they conduct their business, or do not have merit. To force Executive Branch agencies and offices to comment on questionable findings year after year and explain why they are not being implemented serves no useful public purpose. Further, requiring agencies to respond within a thirty day window and then requiring updates at the discretion of the Legislative Auditor is not a wise use of public resources and can result in time taken away from the main purpose of the departments and agencies—namely, carrying out the programs and projects that fall within their jurisdiction.

I am proud of the record of this Administration in responding to legislative audit matters that have relevance and validity. We welcome constructive criticism and respond positively to suggestions that merit proper revisions in procedures and programs. But, we should not engage in paperwork exercises that do not promote or enhance the delivery of public services.

For the foregoing reasons, I allowed House Bill No. 2908 to become law as Act 36, effective April 24, 2008, without my signature.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Lingle", with a stylized, cursive script.

LINDA LINGLE